

**FDIC**

Federal Deposit Insurance Corporation

16898

FILED 1425

MAY 21 1990 - 1 20 PM

16897

INTERSTATE COMMERCE COMMISSION

16896

RECORDATION NO. FILED 1425

MAY 21 1990 - 1 20 PM

INTERSTATE COMMERCE COMMISSION

RETURN RECEIPT REQUESTED  
CERTIFIED MAIL P 592 681 642MAY 21 1990 - 1 20 PM  
INTERSTATE COMMERCE COMMISSION

May 11, 1990

0-141A072

Interstate Commerce Commission  
ATTN: MILDRED LEE  
12th and Constitution Ave., Northwest  
Washington, D.C. 20423

16895

RECORDATION NO. FILED 1425

MAY 21 1990 - 1 20 PM

INTERSTATE COMMERCE COMMISSION

SUBJECT: United of America Bank  
Chicago, Illinois - In Receivership 6471  
Railcar Management  
Lamis Numbers: 6471000410001, 6471000411001  
6471000413001, 6471000414001, and 6471000418001  
Release of Loan Documents

MAY 21 1 12 PM '90

Dear Ms. Lee:

Enclosed please find the following document(s) in regard to the above mentioned asset:

- 1). Original and Notarized Copy of Security Agreement in the name of Robert O. Schlytter dated January 23, 1981.
- 2). Original and Notarized Copy of Security Agreement in the name of Susan L. Schlytter dated January 23, 1981.
- 3). Two Originals and Two Notarized Copies of Security Agreement in the name of Southeastern Wisconsin Transportation Company d/b/a Central Wisconsin Railroad Company dated January 23, 1981.
- 4). Original and Notarized Copy of Security Agreement in the name of Robert B. Schlytter dated January 23, 1981.
- 5). Check #0005059 by the FDIC made payable to the Interstate Commerce Commission for \$75.00 dated May 9th, 1990 to cover filing fees (\$15.00 per document).

If you should have any further questions, please feel free to contact Jon Wincentzen at 708/671-8847 or our toll free number 1-800-654-9198 Extension 8847.

Very truly yours,

*Monica J. Guntz*  
Monica J. Guntz  
Liquidation Technician  
Asset Servicing Unit

/mjg  
Encls.  
cc: Jon Wincentzen

## SECURITY AGREEMENT

RECORDATION NO. 10896 FILED 1425

MAY 21 1990 - 1 20 PM

Robert O. Schlytter  
(Name of Debtor)

**INTERSTATE COMMERCE COMMISSION**

9400 West Garden Court

Hales Corners

Wisconsin

(Address)

(City)

(County)

(State)

(herein called "Debtor"), hereby conveys and grants to United of America Bank, One East Wacker Drive,  
Chicago 1, Illinois, (herein called "Secured Party") a continuing security interest in the Collateral herein described, and in the proceeds and products of said Collateral, to secure payment and performance of the following indebtedness and obligations of Debtor to Secured Party:

(a) Debtor's promissory note of even date herewith, in the principal amount of Thirty One Thousand Five Hundred

and no/100-----, (\$31,500.00) Dollars,  
payable to the order of Secured Party as therein described; and,

(b) Any and all promissory notes hereafter executed by Debtor to Secured Party evidencing future advances and loans made by Secured Party to or for the account of Debtor; and,

(c) Any and all promissory notes hereafter executed by Debtor to Secured Party evidencing extensions, renewals or re-financing of the foregoing notes, and,

(d) Any and all other obligations and indebtedness of Debtor to Secured Party now existing or hereafter arising, including, but not limited to, advances for insurance premiums, repairs to and maintenance of the Collateral, payment of taxes levied against Debtor or the Collateral, and advances to pay or discharge any other lien, security interest or encumbrance upon the Collateral, and,

(e) All costs and expenses incurred by Secured Party in the collection of any obligation or indebtedness of Debtor to Secured Party, including reasonable attorneys' fees, court costs and legal expenses.

2. The Collateral covered by this Security Agreement is the following described goods and property:

Equipment lease and goods and property in the schedule hereto attached, marked "Exhibit A" and made a part hereof.

[illegible]

3 Until default hereunder, Debtor shall be entitled to possession of the Collateral. The Collateral shall be kept at

4040 North Calhoun Road

Brookfield

Wisconsin

(Address)

(City)

(County)

(State)

and the following additional addresses, (if any).

**4. Debtor covenants, warrants and agrees with Secured Party as follows:**

(a) Debtor is the sole owner of the Collateral free from any lien, security interest, encumbrance or claim and will defend the Collateral against the claims and demands of all persons; and,

(b) Debtor shall not sell, lease or encumber the Collateral, grant any subsequent security interest therein, nor part with possession thereof unless Secured Party consents in advance in writing thereto; and,

(c) Debtor shall not remove or permit the Collateral to be removed from the location or locations specified herein without the written consent of Secured Party; and,

(d) Debtor shall not use or permit the Collateral to be used in violation of any law, ordinance, or policy of insurance covering said collateral; and,

(e) Debtor shall maintain the Collateral in good condition and repair and shall pay all taxes levied on the Collateral and on Debtor or Debtor's business; and,

(f) Debtor will join with Secured Party in executing a Financing Statement or Financing Statements pursuant to the Uniform Commercial Code and pay the fees for filing the same in all public offices where filing may be deemed necessary by Secured Party; and,

(g) Debtor is authorized to sell inventory to buyers in the ordinary course of business but no such sale shall be made to a buyer in bulk or as security for a money debt. Debtor shall account to Secured Party for the proceeds of any such authorized sale of inventory and shall immediately deliver the proceeds, including chattel paper, to Secured Party, in the identical form received. Nothing herein contained shall be construed to authorize the sale or disposition of Collateral other than inventory; and,

The covenants, conditions and provisions on the reverse side hereof are a part of this Security Agreement, which consists of two pages, and are incorporated herein by reference.

(b) Debtor shall procure and maintain insurance on the Collateral for the full term of this security agreement against the risks of fire, theft and such other risks as Secured Party may require (including the risk of collision in case the Collateral is a motor vehicle) in such insurers as are satisfactory to Secured Party; and Debtor shall deliver to Secured Party within ten (10) days from date, a fully paid policy or policies of insurance containing Lenders Loss Payable Clause, Form No. 107 or equivalent, in favor of Secured Party providing for ten (10) days' prior written notice of cancellation. If Debtor shall fail, for any reason, to insure the Collateral at the times and in the manner hereinabove provided, or if Debtor's insurance shall be cancelled, Secured Party, at its option, may procure such insurance as shall be deemed necessary by Secured Party, pay the premiums therefor and add the cost thereof to the indebtedness secured hereby, or Secured Party may, at its option, declare all obligations secured hereby to be immediately due and payable. Debtor hereby assigns to Secured Party any unearned or return premiums Secured Party is hereby appointed Debtor's attorney-in-fact to endorse any check or draft payable to Debtor in order to collect such unearned premium or any benefits of such insurance. Any sums received by Secured Party in payment of losses under said policies of insurance may, at the option of Secured Party, be applied to the payment of the installment or installments last due on Debtor's note, notes or indebtedness secured hereby. Except to the extent applied toward premiums for similar insurance, any unearned premiums shall be applied to the installment or installments last due on Debtor's note, notes or indebtedness secured hereby.

5. Loss, theft, damage to, destruction or seizure of the Collateral shall not relieve Debtor from the payment and performance of any obligation or indebtedness secured hereby.

6. At its option and as an alternative to declaration of a default hereunder, Secured Party may pay or discharge any tax levied against the Collateral or the Debtor or any other lien, security interest or encumbrance on the Collateral or may pay for maintenance, repairs to or preservation of the Collateral. All such payments made or expenses incurred by Secured Party shall become additional indebtedness secured hereby.

7. Secured Party, its agents and employees may examine and inspect the Collateral and Debtor's books and records covering said Collateral at any reasonable time or times.

8. The occurrence of any of the following events or conditions shall, at the option of Secured Party and without notice to or demand on Debtor, constitute an event of default hereunder:

- (a) Default in the payment or performance of any note, obligation or indebtedness of Debtor secured hereby; or,
- (b) Failure of Debtor to perform any covenant or agreement made by Debtor herein or of any guarantor of Debtor to perform any covenant or agreement made by such guarantor; or,
- (c) Breach of any warranty or falsity of any representation made by Debtor to Secured Party herein or in connection with any obligation secured hereby; or,
- (d) Loss, theft, substantial damage to, destruction, sale, encumbrance, concealment, removal, attachment, seizure, forfeiture of or levy upon the Collateral or upon the Collateral of any guarantor; or,
- (e) Institution of any proceeding by or against Debtor, Debtor's business or any guarantor of Debtor under any bankruptcy or insolvency statute or filing of any petition by Debtor or any guarantor of Debtor for an Arrangement, or,
- (f) Assignment by Debtor or any guarantor of Debtor for the benefit of creditors or appointment of a receiver for Debtor, any guarantor of Debtor or the Collateral; or
- (g) Reasonable insecurity of Secured Party; or,
- (h) Failure of Debtor to account for the sale of inventory as herein provided.

9. Upon the occurrence of any event of default, Secured Party may declare all installments of Debtor's note and all other indebtedness secured hereby immediately due and payable, without notice or demand, and thereupon Secured Party shall have the right to take possession of the Collateral, with or without legal process, and shall have the remedies of a Secured Party under the Illinois Uniform Commercial Code. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Secured Party shall give Debtor reasonable notice of the time and place of any public sale thereof or of the time after which any private sale or other intended disposition thereof is to be made. It is expressly agreed by the Debtor that the requirements of reasonable notice shall be met if notice is mailed to Debtor at the address of Debtor shown hereinabove not less than five (5) days prior to the sale or other disposition. Expenses of retaking, holding, preparing for sale, selling or the like shall include Secured Party's reasonable attorneys' fees and legal expenses. Secured Party may require Debtor to assemble the Collateral and make it available to Secured Party at a place to be designated by Secured Party which is reasonably convenient to both parties. Secured Party is authorized to sell or dispose of the Collateral on the premises of the Debtor, and Debtor agrees to make no charge for storage of the Collateral prior to sale and for a reasonable time thereafter. Secured Party's rights and remedies shall be cumulative and not in the alternative. Debtor shall have all the rights and remedies before or after default provided in Article 9 of the Uniform Commercial Code at the date of this Security Agreement.

10. All rights of Secured Party shall inure to the successors and assigns of Secured Party, and all obligations of Debtor shall be binding upon Debtor's heirs, personal representatives, successors and assigns. Debtor agrees that if Secured Party shall assign this Security Agreement, Debtor will assert no claims, defenses, counterclaims or set-offs Debtor may have against Secured Party against the Assignee. Waiver of any default by Secured Party shall not constitute waiver of any subsequent default. If there is more than one Debtor, their obligations hereunder shall be joint and several.

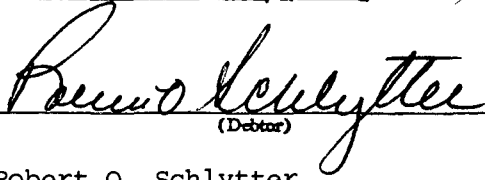
11. The laws of the State of Illinois shall govern the construction of and the rights and duties of the parties to this Security Agreement and all obligations secured hereby.

EXECUTED at CHICAGO, ILLINOIS, this 23rd day of January, 1981

a corporation (Debtor)

By \_\_\_\_\_ President

By \_\_\_\_\_ Secretary

  
(Debtor)  
Robert O. Schlytter  
(Debtor)

\_\_\_\_\_  
(Debtor)

\_\_\_\_\_  
(Debtor)

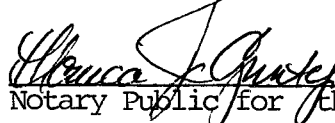
\_\_\_\_\_  
(Debtor)

d/b/a \_\_\_\_\_  
(Trade or partnership name)

EXHIBIT A

Lease dated 12/26/80 between Debtor as Lessor & Southeaster  
Wisconsin Transpt. Corp., d/b/a Central Wisconsin R.R., as  
Lessee, & all rentals & other sums now or hereafter payable  
thereunder or under & pursuant to any schedule exercised &  
delivered in connection therewith. All equipment & other  
property now or hereafter leased under the foregoing described Lease or under any schedule  
or schedules executed in connection therewith & all rentals, substitutions & replacements  
thereof including without limitation the equipment & property specifically described as:  
100-Ton, 4750 Cu. Ft. Covered Hopper Car # CWRC-5001 & 5002.

I swear that this document is a true, exact copy of the original Security  
Agreement dated January 23, 1981 in the name of Robert O. Schlytter, this 25th  
day of April, 1990.

  
Notary Public for the State of Illinois

OFFICIAL SEAL MONICA J GUNTY NOTARY PUBLIC STATE OF ILLINOIS MY COMMISSION EXPIRES MAY 3, 1992
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My Commission expires: May 3rd, 1992